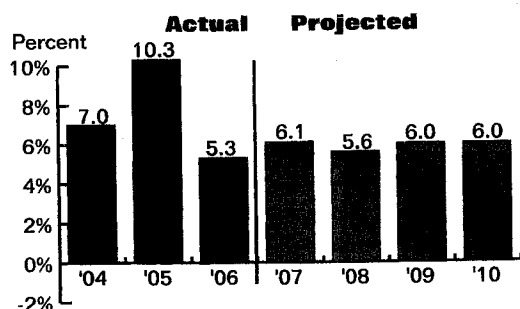


## Gallatin County

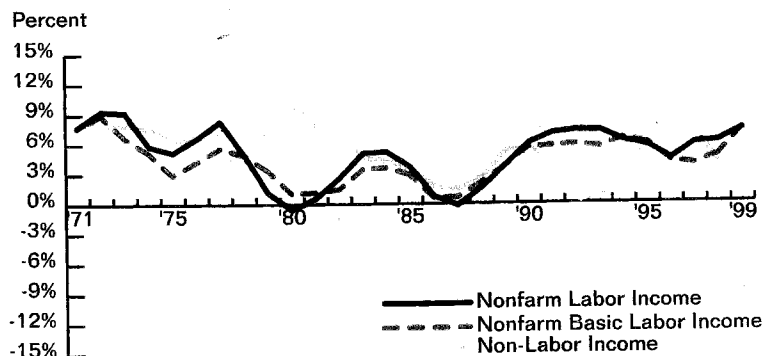
Gallatin County has been one of the fastest-growing counties in Montana. Bozeman has developed into a trade and service center. Growth in state government (mostly research at MSU), the federal government, and nonresident travel have also been major contributors to the trends since 2001. The Bozeman area is home to much of the state's high-tech industry, and this sector grew rapidly prior to the 2001 recession. Following national trends, this industry suffered significantly during the recession but has now regained its 2001 level. Newly released Census Bureau data show the 2005 Gallatin County median home price was \$216,000, the highest in the state. Construction and real estate are the wild cards impacting the short-term outlook for Gallatin County. The construction-real estate boom began in 2005, as reflected in the almost 10 percent growth in nonfarm labor income that year. There may be a distinct deceleration if these industries start reflecting the cooling reported in the national data.

**Figure 2**  
**Actual and Projected Change in Nonfarm Labor Income, Gallatin County, 2004-2010**



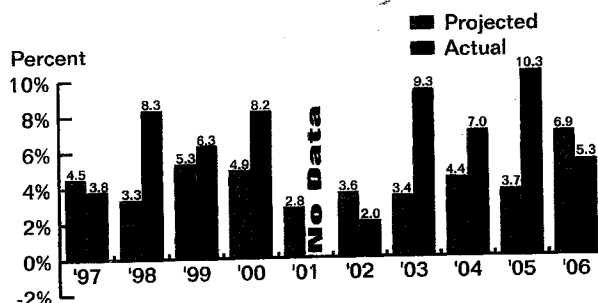
Source: Bureau of Business and Economic Research, The University of Montana-Missoula.

**Figure 4**  
**Nonfarm Labor Income and Nonfarm Basic Labor Income, Gallatin County, Percent Change, 3-Year Moving Average (in constant dollars)**



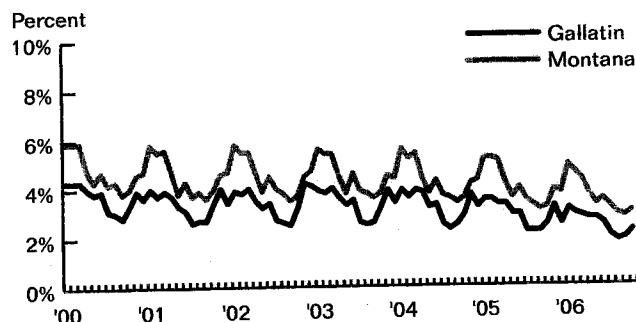
Source: Bureau of Economic Analysis, U.S. Department of Commerce.

**Figure 1**  
**Actual and Projected Percent Change in Nonfarm Labor Income, Gallatin County, 1997-2006**



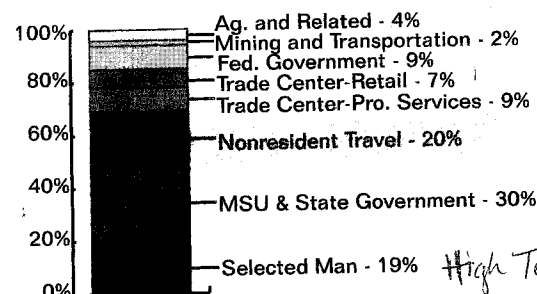
Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula.

**Figure 3**  
**Monthly Unemployment Rate January 2000-November 2006**



Source: Research and Analysis Bureau, Montana Department of Labor and Industry.

**Figure 5**  
**Labor Income in Basic Industries, Gallatin County, 2003-2005 (percent of total)**



Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.

West Yellowstone or Gardiner from Yellowstone National Park (10 percent each), or from the west on Interstate 90 (10 percent). Only 13 percent of vacationers fly directly into Montana even though a full 30 percent fly on a portion of their trip.

## 2007 Outlook

According to Suzanne Cook, Travel Industry Association (2006), the United States should experience a 2 percent growth in domestic travel in 2007. Respondents to the ITRR Outlook Survey show a positive view for tourism in 2007 as well. A full 64 percent of tourism industry businesses expect an increase over 2005, while 31 percent expect it to remain the same. It appears that Montana's travel industry will continue in a slow but steady growth of 2 percent in 2007.

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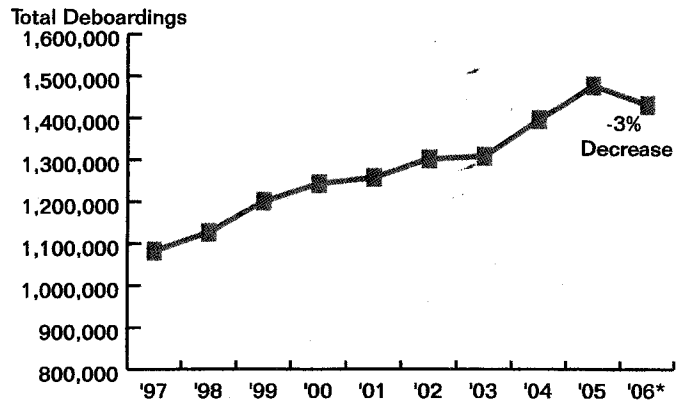
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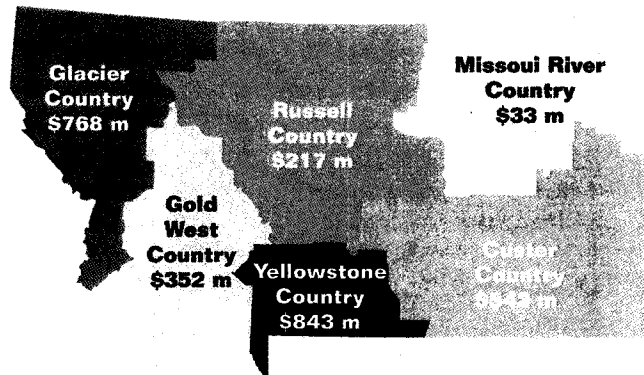
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**Figure 7**  
**Montana Air Traffic, 1997-2006**



\*Preliminary.  
Source: Montana Aeronautics Division.

**Figure 8**  
**Expenditures by Nonresident Travelers Per Travel Region**

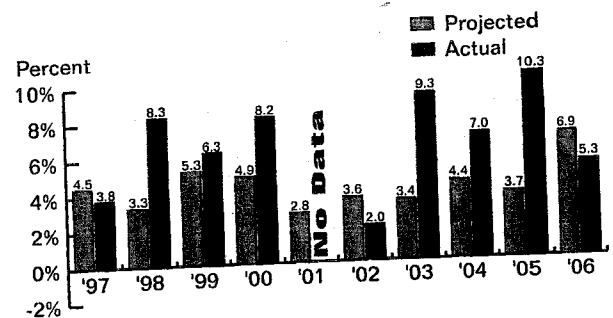


Source: Institute for Tourism and Recreation Research, The University of Montana-Missoula.

# Gallatin County

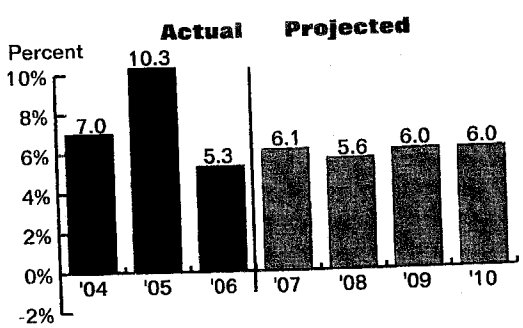
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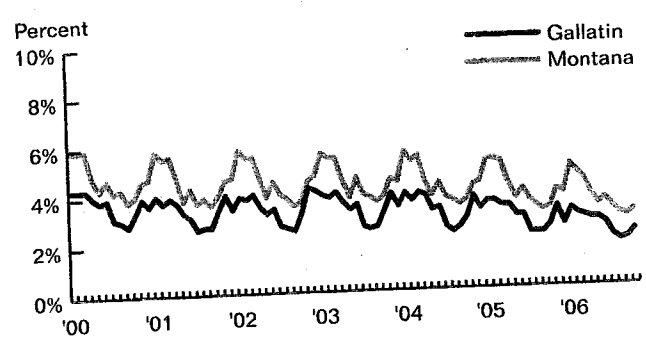
Sources: Bureau of Economic Analysis, U.S. Department of Commerce; Bureau of Business and Economic Research, The University of Montana-Missoula.

**Figure 2**  
 Actual and Projected Change in Nonfarm Labor Income, Gallatin County, 2004-2010



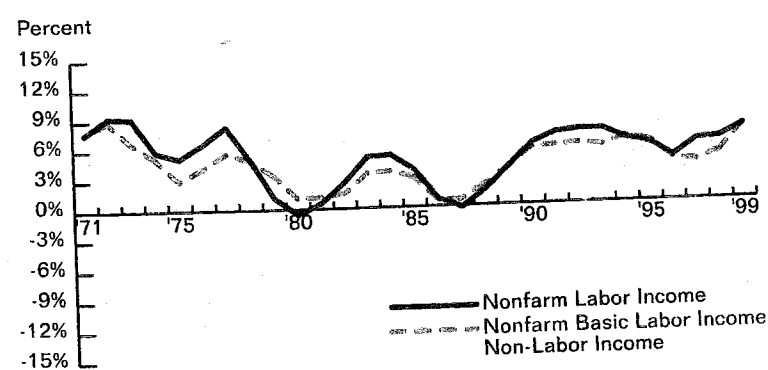
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 Monthly Unemployment Rate January 2000-November 2006



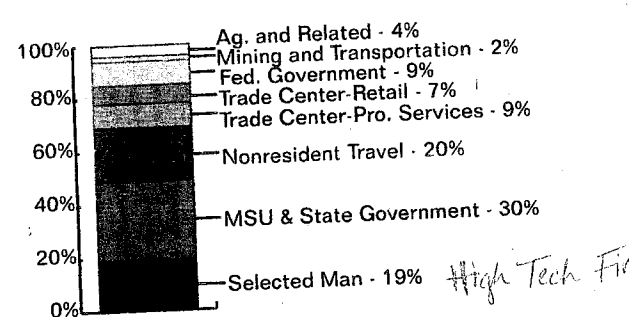
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Sources: Bureau of Business and Economic Research, The University of Montana-Missoula; Bureau of Economic Analysis, U.S. Department of Commerce.